

UNIFIED SCHOOL DISTRICT NO. 329
MILL CREEK VALLEY
Alma, Kansas

STATUTORY BASIS FINANCIAL STATEMENTS

Year Ended June 30, 2010

ALDRICH AND COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS
COUNCIL GROVE, KANSAS

Unified School District No. 329
Mill Creek Valley
Alma, Kansas

STATUTORY BASIS FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2010

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Unified School District No. 329
Mill Creek Valley
Alma, Kansas

STATUTORY BASIS FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2010

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ALDRICH & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

Board of Education
Unified School District No. 329
Mill Creek Valley
Alma, KS 66401

We have audited the accompanying financial statements of Unified School District No. 329, Mill Creek Valley, Alma, Kansas as of and for the year ended June 30, 2010, as listed in the table of contents. These financial statements are the responsibility of Unified School District No. 329, Alma, Kansas management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year partial comparative information has been derived from the District's June 30, 2009 financial statements and, in our report dated August 24, 2010, we expressed an unqualified opinion on the respective financial statements, taken as a whole, on the statutory basis of accounting.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the guidance in the Kansas Municipal Audit Guide. Those standards and guidance require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note 2, USD 329 has prepared these financial statements in conformity with the accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the differences between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, is presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Unified School District No. 329, Mill Creek Valley, Alma, Kansas, as of June 30, 2010, the changes in its financial position, or where applicable, its cash flows for the year then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of Unified School District No. 329, Mill Creek Valley, Alma, Kansas, as of June 30, 2010, and its cash receipts and expenditures, and budget to actual comparisons for the year then ended, taken as a whole, on the basis of accounting described in Note 2.

Aldrich & Company, LLC

ALDRICH AND COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS

September 8, 2010

UNIFIED SCHOOL DISTRICT NUMBER 329
MILL CREEK VALLEY

STATEMENT 1

Summary of Cash Receipts, Expenditures, and Unencumbered Cash
For the Fiscal Year Ended June 30, 2010

	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
General Fund	\$ (298,402)		\$ 3,771,245	\$ 3,782,994	\$ (310,151)		\$ (310,151)
Supplemental General	(30,053)		1,130,851	1,124,000	(23,202)		(23,202)
Special Revenue Funds							
Capital Outlay	584,571		177,819	199,279	563,111	72,699	635,810
Vocational Education	0		177,108	177,108	0		0
Special Education	399,770		827,038	603,461	623,347		623,347
Food Service	64,572		239,736	230,421	73,887		73,887
Drivers Education	29,822		16,902	8,192	38,532		38,532
Staff Development	59,489		42,373	13,119	88,743		88,743
Extraordinary School Program	0		10,036	7,362	2,674		2,674
KPERs Retirement Contributions	0		106,099	211,343	(105,244)		(105,244)
At-Risk (K-12)	0		119,189	119,189	0		0
Student Materials	9,474		7,440	4,794	12,120		12,120
Textbook Rental	9,921		17,736	11,253	16,404		16,404
Summer Insurance	57		14,174	14,231	0		0
Contingency Reserve	322,177		0	100,000	222,177		222,177
Title I	0		64,217	64,217	0		0
Title II D Education Technology	0		1,438	1,438	0		0
Title II A Teacher Quality	0		20,728	20,728	0		0
Title VI Reap	0		35,236	35,236	0		0
Drug Education	0		6,323	4,770	1,553		1,553
Grants	0		1,800	1,800	0		0
District Activity Funds	53,537		122,798	111,374	64,961		64,961
Debt Service Funds							
Bond and Interest	899,456		595,037	538,372	956,121		956,121
Fiduciary Funds							
Private Purpose Trust Funds	0	0	400	322	78	0	78
Total Reporting Entity (excluding agency funds)	<u>\$ 2,104,391</u>	<u>\$ 0</u>	<u>\$ 7,505,723</u>	<u>\$ 7,385,003</u>	<u>\$ 2,225,111</u>	<u>\$ 72,699</u>	<u>\$ 2,297,810</u>

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NUMBER 329
MILL CREEK VALLEY

STATEMENT 1

Summary of Cash Receipts, Expenditures, and Unencumbered Cash
For the Fiscal Year Ended June 30, 2010

Composition of Cash:

Stockgrowers State Bank, Maple Hill, Kansas	
District Payroll N.O.W.	\$ 10,114
District M.M.A.	2,216,409
District Certificates of Deposit	0
District Petty Cash Account	1,475
Food Service Petty Cash Account	350
Wabaunsee High School Activity Fund	67,530
Mill Creek Valley Jr. High & Middle School Activity Fund	13,123
Alma Grade School Activity Fund	4,313
Maple Hill Grade School Activity Fund	1,870
First National Bank of Wamego, Alma, Kansas	
District N.O.W.	2,648
District Certificates of Deposit-CDAR's	0
Cash on Hand - Supt.	<u>25</u>
Total Cash	2,317,857
Agency Funds per Statement 4	<u>(20,047)</u>
Total Reporting Entity (Excluding Agency Funds)	<u>\$ 2,297,810</u>

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NUMBER 329
MILL CREEK VALLEY

STATEMENT 2

Summary of Expenditures – Actual and Budget
For the Fiscal Year Ended June 30, 2010

Governmental Type Funds	Certified Budget	Adjustments to Comply with Legal Max	Adjustments for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Favorable (Unfavorable)
General Fund	\$ 4,015,958	\$ (329,331)	\$ 96,367	\$ 3,782,994	\$ 3,782,994	\$ 0
Supplemental General	1,124,000			1,124,000	1,124,000	0
Special Revenue Funds						
Capital Outlay	353,500			353,500	199,279	154,221
Vocational Education	200,000			200,000	177,108	22,892
Special Education	706,321			706,321	603,461	102,860
Food Service	274,000			274,000	230,421	43,579
Drivers Education	12,240			12,240	8,192	4,048
Staff Development	33,820			33,820	13,119	20,701
Extraordinary School Program	0			0	7,362	(7,362)
KPERS Retirement Contributions	252,399			252,399	211,343	41,056
At-Risk (K-12)	192,000			192,000	119,189	72,811
Debt Service Funds						
Bond and Interest	538,379			538,379	538,372	7

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NUMBER 329
MILL CREEK VALLEY

STATEMENT 3-1

Statement of Cash Receipts and Expenditures – Actual and Budget
For the Fiscal Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

GENERAL FUND

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
General Property Taxes	\$ 625,560	\$ 588,537	\$ 576,374	\$ 12,163
Intergovernmental Receipts				
State Equalization Aid	2,917,436	2,424,023	2,648,981	(224,958)
State Special Education Aid	536,962	483,891	612,176	(128,285)
ARRA Stabilization Funds	0	178,427	178,427	0
Machinery & Equipment Rebate	3,579	0		0
Reimbursements				
State Aid	2,000	800	0	800
Daycare	86,447	95,470	0	95,470
Miscellaneous	0	97	0	97
Total Cash Receipts	<u>4,171,984</u>	<u>3,771,245</u>	<u>4,015,958</u>	<u>(244,713)</u>
Expenditures				
Instruction				
Certified Salaries	1,485,065	1,101,248	1,496,482	395,234
ARRA Expenditures-Certified Salaries	0	178,427	0	(178,427)
Non-certified Salaries	7,034	9,541	8,500	(1,041)
Employee Benefits	271,524	322,526	327,000	4,474
Professional & Technical Services	0	1,648	0	(1,648)
Other Purchased Services	10,592	7,827	20,000	12,173
Teaching Supplies	75,123	59,377	34,000	(25,377)
Property & Equipment	0	1,041	0	(1,041)
Total Instruction	<u>1,849,338</u>	<u>1,681,635</u>	<u>1,885,982</u>	<u>204,347</u>
Student Support				
Certified Salaries	43,085	28,204	45,000	16,796
Employee Benefits	17,008	14,843	9,500	(5,343)
Professional & Technical Services	8,083	726	12,000	11,274
Other Purchased Services	4,381	4,542	500	(4,042)
Supplies	2,319	1,600	2,000	400
Total Student Support	<u>74,876</u>	<u>49,915</u>	<u>69,000</u>	<u>19,085</u>
Instructional Support				
Certified Salaries	34,031	82,403	70,000	(12,403)
Non-certified Salaries	65,519	0	0	0
Employee Benefits	27,110	9,984	24,000	14,016
Supplies	11,977	3,655	8,500	4,845
Property & Equipment	0	0	0	0
Total Instructional Support	<u>138,637</u>	<u>96,042</u>	<u>102,500</u>	<u>6,458</u>
Expenditures Subtotal	<u>\$ 2,062,851</u>	<u>\$ 1,827,592</u>	<u>\$ 2,057,482</u>	<u>\$ 229,890</u>

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NUMBER 329
MILL CREEK VALLEY

STATEMENT 3-1(cont'd)

Statement of Cash Receipts and Expenditures – Actual and Budget
For the Fiscal Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

GENERAL FUND

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Expenditures Carried Forward	\$ 2,062,851	\$ 1,827,592	\$ 2,057,482	\$ 229,890
General Administration				
Certified Salaries	73,500	73,619	77,500	3,881
Non-certified Salaries	65,611	60,057	58,000	(2,057)
Employee Benefits	35,927	44,469	37,000	(7,469)
Professional & Technical Services	6,400	8,450	7,000	(1,450)
Other Purchased Services	23,291	13,556	10,800	(2,756)
Supplies	19,625	0	20,000	20,000
Other	300	1,866	300	(1,566)
Total General Administration	224,654	202,017	210,600	8,583
School Administration				
Certified Salaries	192,760	194,822	195,000	178
Non-certified Salaries	99,503	100,624	100,000	(624)
Employee Benefits	37,745	40,588	43,000	2,412
Other Purchased Services	14,741	1,637	3,500	1,863
Supplies	9,231	6,585	5,000	(1,585)
Other	0	0	0	0
Total School Administration	353,980	344,256	346,500	2,244
Central Services				
Non-certified Salaries	0	9,600	0	(9,600)
Employee Benefits	0	651	0	(651)
Supplies	0	0	0	0
Total Central Services	0	10,251	0	(10,251)
Operation and Maintenance				
Non-certified Salaries	148,977	133,432	160,000	26,568
Employee Benefits	52,732	64,018	58,000	(6,018)
Professional & Technical Services	2,520	0	2,500	2,500
Purchased Property Services	16,843	28,771	19,000	(9,771)
Other Purchased Services	3,470	3,159	3,000	(159)
Supplies	52,296	40,732	45,000	4,268
Property & Equipment	525	0	500	500
Total Operation & Maintenance	277,363	270,112	288,000	17,888
Expenditures Subtotal	\$ 2,918,848	\$ 2,654,228	\$ 2,902,582	\$ 248,354

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NUMBER 329
MILL CREEK VALLEY

STATEMENT 3-1(cont'd)

Statement of Cash Receipts and Expenditures – Actual and Budget
For the Fiscal Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

GENERAL FUND

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Expenditures Carried Forward	\$ 2,918,848	\$ 2,654,228	\$ 2,902,582	\$ 248,354
Student Transportation				
Non-certified Salaries	137,917	136,427	140,000	3,573
Employee Benefits	15,152	11,151	18,600	7,449
Professional & Technical Services	395	0	500	500
Other Purchased Services	0	0	0	0
Fuel	46,272	0	0	0
Supplies	31,420	0	0	0
Other	1,588	0	100	100
Total Student Transportation	232,744	147,578	159,200	11,622
Day Care	140,547	111,837	160,000	48,163
Architectural & Engineering	1,000	0	0	0
Fund Transfers				
Capital Outlay	122,755	121,271	0	(121,271)
Special Education	536,962	583,891	612,176	28,285
At-Risk	182,791	119,189	182,000	62,811
Driver Training	0	10,000	0	(10,000)
Vocational Education	0	25,000	0	(25,000)
Staff Develepment	0	10,000	0	(10,000)
Contingency Reserve	80,000	0	0	0
Total Fund Transfers	922,508	869,351	794,176	(75,175)
Adjustment to Comply with Legal Max Budget	0	0	(329,331)	(329,331)
Legal General Fund Budget	4,215,647	3,782,994	3,686,627	(96,367)
Adjustments for Qualifying Budget Credits	0	0	96,367	96,367
Total Expenditures	4,215,647	3,782,994	\$ 3,782,994	\$ 0
Receipts Over (Under) Expenditures	(43,663)	(11,749)		
Unencumbered Cash, July 1	(254,739)	(298,402)		
Unencumbered Cash, June 30	\$ (298,402)	\$ (310,151)		

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NUMBER 329
MILL CREEK VALLEY

STATEMENT 3-2

Statement of Cash Receipts and Expenditures – Actual and Budget
For the Fiscal Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

SUPPLEMENTAL GENERAL LOCAL OPTION BUDGET

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
General Property Taxes	\$ 718,897	\$ 836,355	\$ 805,713	\$ 30,642
Intergovernmental Receipts				
Machinery & Equipment Rebate	2,391	0	0	0
State Equalization Aid	203,898	214,529	301,052	(86,523)
ARRA Stabilization Funds	0	79,954	0	79,954
Reimbursements	0	13	0	13
Total Cash Receipts	<u>925,186</u>	<u>1,130,851</u>	<u>1,106,765</u>	<u>24,086</u>
Expenditures				
Technology				
Salaries	51,196	42,578	51,200	8,622
ARRA Expenditures-Salaries	0	79,954	0	(79,954)
Employee Benefits	17,393	14,303	19,000	4,697
Professional & Technical Services	32,895	87,585	7,000	(80,585)
Other Purchased Services	0	0	35,000	35,000
Supplies	37,666	20,351	36,200	15,849
Equipment & Software	64,107	14,063	40,000	25,937
Student Support				
Employee Benefits	317	317	0	(317)
Instructional Support				
Employee Benefits	527	528	1,000	472
Supplies	24,920	2,700	26,000	23,300
General Administrative				
Employee Benefits	422	423	500	77
Other Purchased Services	6,042	19,293	32,000	12,707
Supplies	0	34,956	20,000	(14,956)
School Administration				
Employee Benefits	1,372	1,375	1,400	25
Other Purchased Services	0	15,994	13,000	(2,994)
Operations & Maintenance				
Employee Benefits	5,243	5,254	6,000	746
Purchased Property Services	63,000	59,179	70,000	10,821
Other Purchased Services	33,438	37,301	40,000	2,699
Utilities	175,051	152,523	190,000	37,477
Property & Equipment	<u>269</u>	<u>375</u>	<u>0</u>	<u>(375)</u>
Expenditure Subtotal	<u>\$ 513,858</u>	<u>\$ 589,052</u>	<u>\$ 588,300</u>	<u>\$ (752)</u>

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NUMBER 329
MILL CREEK VALLEY

STATEMENT 3-2

Statement of Cash Receipts and Expenditures – Actual and Budget
For the Fiscal Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

SUPPLEMENTAL GENERAL LOCAL OPTION BUDGET

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Expenditures Carried Forward	\$ 513,858	\$ 589,052	\$ 588,300	\$ (752)
Student Transportation				
Employee Benefits	6,943	9,427	7,000	(2,427)
Other Purchased Services	7,183	6,360	0	(6,360)
Supplies	0	80,810	105,000	24,190
Other	0	2,505	2,000	(505)
Fund Transfers				
Special Education	231,746	243,147	166,700	(76,447)
Staff Development	32,000	30,000	10,000	(20,000)
Driver Education	0	0	5,000	5,000
Vocational Education	168,270	147,699	200,000	52,301
At-Risk	0	0	10,000	10,000
Food Service	15,000	15,000	30,000	15,000
Total Expenditures	<u>975,000</u>	<u>1,124,000</u>	<u>\$ 1,124,000</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	(49,814)	6,851		
Unencumbered Cash, July 1	<u>19,761</u>	<u>(30,053)</u>		
Unencumbered Cash, June 30	<u>\$ (30,053)</u>	<u>\$ (23,202)</u>		

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NUMBER 329
MILL CREEK VALLEY

STATEMENT 3-3

Statement of Cash Receipts and Expenditures – Actual and Budget
For the Fiscal Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

CAPITAL OUTLAY FUND

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
General Property Taxes				
Ad Valorem	\$ 134,310	\$ 3,511	\$ 2,109	\$ 1,402
Delinquent Tax	2,868	2,029	2,101	(72)
Motor Vehicle	16,235	15,745	16,238	(493)
Recreational Vehicle Tax	297	239	502	(263)
Intergovernmental Receipts				
State Aid	15,336	0	0	0
Machinery & Equipment Rebate	723	0	0	0
Interest on Idle Funds	28,237	27,380	30,000	(2,620)
Reimbursed Expenses	235,025	4,407	25,000	(20,593)
Miscellaneous Revenue	15,784	3,237	0	3,237
Transfers In	<u>122,755</u>	<u>121,271</u>	<u>0</u>	<u>121,271</u>
Total Cash Receipts	<u>571,570</u>	<u>177,819</u>	<u>75,950</u>	<u>101,869</u>
Expenditures				
Equipment	160,038	79,121	275,500	196,379
Land Acquisition	10,587	30,469	20,000	(10,469)
Land Improvements	6,728	43,390	8,000	(35,390)
Site Improvements	0	23,208	0	(23,208)
Building Improvements	281,711	23,091	50,000	26,909
Adjustments for Qualifying Budget Credits	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>459,064</u>	<u>199,279</u>	<u>\$ 353,500</u>	<u>\$ 154,221</u>
Receipts Over (Under) Expenditures	112,506	(21,460)		
Unencumbered Cash, July 1	<u>472,065</u>	<u>584,571</u>		
Unencumbered Cash, June 30	<u>\$ 584,571</u>	<u>\$ 563,111</u>		

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NUMBER 329
MILL CREEK VALLEY

STATEMENT 3-4

Statement of Cash Receipts and Expenditures – Actual and Budget
For the Fiscal Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

VOCATIONAL EDUCATION FUND

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Transfers In	\$ 168,270	\$ 172,699	\$ 200,000	\$ (27,301)
Other	0	4,409	0	4,409
Total Cash Receipts	<u>168,270</u>	<u>177,108</u>	<u>200,000</u>	<u>(22,892)</u>
Expenditures				
Salaries	128,846	134,157	150,000	15,843
Employee Benefits	28,354	28,435	33,000	4,565
Supplies	11,070	13,089	15,000	1,911
Equipment	0	1,427	2,000	573
Other	0	0	0	0
Total Expenditures	<u>168,270</u>	<u>177,108</u>	<u>\$ 200,000</u>	<u>\$ 22,892</u>
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, July 1	0	0		
Unencumbered Cash, June 30	<u>\$ 0</u>	<u>\$ 0</u>		

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NUMBER 329
MILL CREEK VALLEY

STATEMENT 3-5

Statement of Cash Receipts and Expenditures – Actual and Budget
For the Fiscal Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

SPECIAL EDUCATION FUND

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Transfers In	\$ 768,708	\$ 827,038	\$ 778,876	\$ 48,162
Expenditures				
Instruction				
Special Education Co-op	625,454	561,799	612,176	50,377
Purchased Service	0	0	0	0
Supplies	4,820	138	5,000	4,862
Equipment	0	0	5,000	5,000
Transportation				
Salaries	19,243	24,763	30,000	5,237
Employee Benefits	1,802	2,234	3,145	911
Purchased Services	2,464	2,077	3,000	923
Supplies	12,290	12,450	23,000	10,550
Equipment	0	0	25,000	25,000
Total Expenditures	666,073	603,461	\$ 706,321	\$ 102,860
Receipts Over (Under) Expenditures	102,635	223,577		
Unencumbered Cash, July 1	297,135	399,770		
Unencumbered Cash, June 30	<u>\$ 399,770</u>	<u>\$ 623,347</u>		

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NUMBER 329
MILL CREEK VALLEY

STATEMENT 3-6

Statement of Cash Receipts and Expenditures – Actual and Budget
For the Fiscal Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

FOOD SERVICE FUND

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Intergovernmental Receipts				
Federal Aid	\$ 88,549	\$ 90,958	\$ 87,630	\$ 3,328
State Aid	2,713	2,618	2,765	(147)
Meals	132,250	131,160	115,032	16,128
Other	575	0	0	0
Transfers In	15,000	15,000	30,000	(15,000)
Total Cash Receipts	<u>239,087</u>	<u>239,736</u>	<u>235,427</u>	<u>4,309</u>
Expenditures				
Salaries and Wages	112,043	112,229	118,000	5,771
Employee Benefits	12,762	12,782	14,500	1,718
Food	101,410	96,880	125,000	28,120
Other Purchased Services	1,630	779	3,000	2,221
Supplies	6,271	5,503	8,500	2,997
Other	415	0	0	0
Equipment	0	729	1,000	271
Operations & Maintenance	4,364	1,519	4,000	2,481
Total Expenditures	<u>238,895</u>	<u>230,421</u>	<u>\$ 274,000</u>	<u>\$ 43,579</u>
Receipts Over (Under) Expenditures	192	9,315		
Unencumbered Cash, July 1	<u>64,380</u>	<u>64,572</u>		
Unencumbered Cash, June 30	<u>\$ 64,572</u>	<u>\$ 73,887</u>		

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NUMBER 329
MILL CREEK VALLEY

STATEMENT 3-7

Statement of Cash Receipts and Expenditures – Actual and Budget
For the Fiscal Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

DRIVERS EDUCATION FUND

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Intergovernmental Receipts				
State Driver Training	\$ 1,558	\$ 850	\$ 1,250	\$ (400)
Fees	2,977	6,052	6,000	52
Transfers In	0	10,000	5,000	5,000
Total Cash Receipts	<u>4,535</u>	<u>16,902</u>	<u>12,250</u>	<u>4,652</u>
Expenditures				
Salaries	3,232	6,346	8,500	2,154
Employee Benefits	359	601	990	389
Supplies	0	664	2,450	1,786
Vehicle Maintenance	584	581	300	(281)
Total Expenditures	<u>4,175</u>	<u>8,192</u>	<u>\$ 12,240</u>	<u>\$ 4,048</u>
Receipts Over (Under) Expenditures	360	8,710		
Unencumbered Cash, July 1	<u>29,462</u>	<u>29,822</u>		
Unencumbered Cash, June 30	<u>\$ 29,822</u>	<u>\$ 38,532</u>		

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NUMBER 329
MILL CREEK VALLEY

STATEMENT 3-8

Statement of Cash Receipts and Expenditures – Actual and Budget
For the Fiscal Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

STAFF DEVELOPMENT

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Intergovernmental Receipts				
State Aid	\$ 2,527	\$ 0	\$ 0	\$ 0
Reimbursed Expense	4,804	2,373	3,000	(627)
Transfers In	32,000	40,000	10,000	30,000
Total Cash Receipts	<u>39,331</u>	<u>42,373</u>	<u>13,000</u>	<u>29,373</u>
Expenditures				
Salaries	5,575	3,330	7,700	4,370
Employee Benefits	396	310	620	310
Purchased Professional Services	893	175	4,000	3,825
Other Purchased Services	13,917	8,904	20,000	11,096
Supplies	253	400	1,500	1,100
Total Expenditures	<u>21,034</u>	<u>13,119</u>	<u>\$ 33,820</u>	<u>\$ 20,701</u>
Receipts Over (Under) Expenditures	18,297	29,254		
Unencumbered Cash, July 1	<u>41,192</u>	<u>59,489</u>		
Unencumbered Cash, June 30	<u>\$ 59,489</u>	<u>\$ 88,743</u>		

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NUMBER 329
MILL CREEK VALLEY

STATEMENT 3-9

Statement of Cash Receipts and Expenditures – Actual and Budget
For the Fiscal Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

EXTRAORDINARY SCHOOL PROGRAM

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Fees	\$ 0	\$ 10,036	\$ 0	\$ 10,036
Transfers In	0	0	0	0
Total Cash Receipts	<u>0</u>	<u>10,036</u>	<u>0</u>	<u>10,036</u>
Expenditures				
Salaries	0	6,086	0	(6,086)
Employee Benefits	0	472	0	(472)
Supplies	0	804	0	(804)
Other Purchased Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>7,362</u>	<u>\$ 0</u>	<u>\$ (7,362)</u>
Receipts Over (Under) Expenditures	0	2,674		
Unencumbered Cash, July 1	<u>0</u>	<u>0</u>		
Unencumbered Cash, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 2,674</u></u>		

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NUMBER 329
MILL CREEK VALLEY

STATEMENT 3-10

Statement of Cash Receipts and Expenditures – Actual and Budget
For the Fiscal Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

KPERS RETIREMENT CONTRIBUTIONS

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Intergovernmental Receipts				
State of Kansas	\$ 213,897	\$ 106,099	\$ 252,399	\$ (146,300)
Expenditures				
Employee Benefits - Instruction	141,172	139,487	165,000	25,513
Employee Benefits - Student Support	6,417	6,340	6,737	397
Employee Benefits - Instructional Support	8,556	8,453	10,116	1,663
Employee Benefits - General Administration	6,417	6,340	7,838	1,498
Employee Benefits - School Administration	19,250	19,021	25,523	6,502
Employee Benefits - Operations & Maint	12,834	12,681	14,674	1,993
Employee Benefits - Student Transportation	10,695	10,567	12,395	1,828
Employee Benefits - Food Service	8,556	8,454	10,116	1,662
Total Expenditures	213,897	211,343	\$ 252,399	\$ 41,056
Receipts Over (Under) Expenditures	0	(105,244)		
Unencumbered Cash, July 1	0	0		
Unencumbered Cash, June 30	\$ 0	\$ (105,244)		

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NUMBER 329
MILL CREEK VALLEY

STATEMENT 3-11

Statement of Cash Receipts and Expenditures – Actual and Budget
For the Fiscal Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

AT-RISK (K-12)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Transfer from General Fund	\$ 182,791	\$ 119,189	\$ 182,000	\$ (62,811)
Transfer from Supplemental General	0	0	10,000	(10,000)
Total Cash Receipts	<u>182,791</u>	<u>119,189</u>	<u>192,000</u>	<u>(72,811)</u>
Expenditures				
Instruction				
Certified Salaries	72,910	57,671	83,000	25,329
Non-Certified Salaries	43,207	26,859	44,000	17,141
Employee Benefits	8,548	5,991	9,200	3,209
Professional & Technical Services	5,864	175	5,000	4,825
Other Purchased Services	13,215	12,667	13,250	583
Supplies	2,232	121	0	(121)
Equipment	0	0	0	0
Student Support				
Certified Salaries	35,124	12,097	35,500	23,403
Employee Benefits	1,691	3,608	2,050	(1,558)
Instructional Support				
Other Purchased Services	0	0	0	0
Total Expenditures	<u>182,791</u>	<u>119,189</u>	<u>\$ 192,000</u>	<u>\$ 72,811</u>
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, July 1	0	0		
Unencumbered Cash, June 30	<u>\$ 0</u>	<u>\$ 0</u>		

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NUMBER 329
MILL CREEK VALLEY

STATEMENT 3-12

Statement of Cash Receipts and Expenditures
For the Fiscal Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

STUDENT MATERIALS FUND

	Prior Year Actual	Current Year Actual
Cash Receipts		
Student Receipts	\$ 5,799	\$ 7,440
Expenditures		
Materials	7,489	4,794
Receipts Over (Under) Expenditures	(1,690)	2,646
Unencumbered Cash, July 1	11,164	9,474
Unencumbered Cash, June 30	<u>\$ 9,474</u>	<u>\$ 12,120</u>

TEXTBOOK RENTAL FUND

	Prior Year Actual	Current Year Actual
Cash Receipts		
Student Receipts	\$ 20,266	\$ 17,736
Reimbursed Expense	0	0
Total Cash Receipts	20,266	17,736
Expenditures		
Textbooks	13,381	11,253
Receipts Over (Under) Expenditures	6,885	6,483
Unencumbered Cash, July 1	3,036	9,921
Unencumbered Cash, June 30	<u>\$ 9,921</u>	<u>\$ 16,404</u>

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NUMBER 329
MILL CREEK VALLEY

STATEMENT 3-13

Statement of Cash Receipts and Expenditures
For the Fiscal Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

SUMMER INSURANCE

	Prior Year Actual	Current Year Actual
Cash Receipts		
Reimbursed Expense	\$ 14,970	\$ 14,174
Expenditures		
Employee Benefits	14,913	14,231
Receipts Over (Under) Expenditures	57	(57)
Unencumbered Cash, July 1	0	57
Unencumbered Cash, June 30	<u>\$ 57</u>	<u>\$ 0</u>

CONTINGENCY RESERVE

	Prior Year Actual	Current Year Actual
Cash Receipts		
Transfers In	\$ 80,000	\$ 0
Expenditures		
Salaries	0	100,000
Receipts Over (Under) Expenditures	80,000	(100,000)
Unencumbered Cash, July 1	242,177	322,177
Unencumbered Cash, June 30	<u>\$ 322,177</u>	<u>\$ 222,177</u>

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NUMBER 329
MILL CREEK VALLEY

STATEMENT 3-14

Statement of Cash Receipts and Expenditures
For the Fiscal Year Ended June 30, 2010

	<u>Title I</u>	<u>Title II D Education Technology</u>	<u>Title II A Teacher Quality</u>	<u>Title VI Reap</u>	<u>Drug Education</u>	<u>Other Grants</u>
Cash Receipts						
Intergovernmental	\$ 64,217	\$ 1,438	\$ 20,728	\$ 35,236	\$ 1,800	\$ 6,323
Other	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Cash Receipts	<u>64,217</u>	<u>1,438</u>	<u>20,728</u>	<u>35,236</u>	<u>1,800</u>	<u>6,323</u>
Expenditures						
Salaries	60,364	387	18,105	0	1,223	0
Employee Benefits	3,853	0	0	0	0	0
Materials & Supplies	0	694	0	4,500	0	4,770
Purchased Services	0	256	2,623	0	500	0
Equipment	<u>0</u>	<u>101</u>	<u>0</u>	<u>30,736</u>	<u>77</u>	<u>0</u>
Total Expenditures	<u>64,217</u>	<u>1,438</u>	<u>20,728</u>	<u>35,236</u>	<u>1,800</u>	<u>4,770</u>
Receipts Over(Under) Expenditures	0	0	0	0	0	1,553
Unencumbered Cash, July 1	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unencumbered Cash, June 30	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,553</u>

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NUMBER 329
MILL CREEK VALLEY

STATEMENT 3-15

Statement of Cash Receipts and Expenditures – Actual and Budget
For the Fiscal Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

BOND AND INTEREST FUND

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
General Property Taxes				
Ad Valorem	\$ 497,239	\$ 483,718	\$ 473,900	\$ 9,818
Delinquent Taxes	10,781	7,558	7,769	(211)
Motor Vehicle	58,881	59,782	61,481	(1,699)
Recreational Vehicle	1,080	909	1,900	(991)
Intergovernmental Receipts				
State Aid	58,785	43,070	43,070	0
Machinery & Equipment Rebate	2,574	0	0	0
Other	0	0	0	0
Total Cash Receipts	<u>629,340</u>	<u>595,037</u>	<u>588,120</u>	<u>6,917</u>
Expenditures				
Bond Principal	275,000	295,000	295,000	0
Bond Interest	259,406	243,369	243,369	0
Commission & Fees	3	3	10	7
Total Expenditures	<u>534,409</u>	<u>538,372</u>	<u>\$ 538,379</u>	<u>\$ 7</u>
Receipts Over (Under) Expenditures	94,931	56,665		
Unencumbered Cash, July 1	<u>804,525</u>	<u>899,456</u>		
Unencumbered Cash, June 30	<u>\$ 899,456</u>	<u>\$ 956,121</u>		

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NUMBER 329
MILL CREEK VALLEY

STATEMENT 3-16

Statement of Cash Receipts and Expenditures
For the Fiscal Year Ended June 30, 2010

PRIVATE PURPOSE TRUST FUND

	WHS Donations
Cash Receipts	
Donations	\$ 400
Expenditures	
Supplies	72
Scholarship	<u>250</u>
Total Expenditures	<u>322</u>
Receipts Over (Under) Expenditures	78
Unencumbered Cash, July 1	<u>0</u>
Unencumbered Cash, June 30	<u>\$ 78</u>

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NUMBER 329
MILL CREEK VALLEY

STATEMENT 4

Summary of Cash Receipts and Cash Disbursements
For the Fiscal Year Ended June 30, 2010

AGENCY FUNDS

	Beginning Cash Balance	Cash Receipts	Cash Disburse- ments	Ending Cash Balance
Student Organization Accounts				
Wabaunsee High				
Cheerleaders	\$ 1,075	\$ 11,604	\$ 12,679	\$ 0
Class of 2009	2,478	0	2,478	0
Class of 2010	3,696	232	2,207	1,721
Class of 2011	2,523	6,496	7,169	1,850
Class of 2012	1,406	568	634	1,340
Class of 2013	0	2,920	1,679	1,241
Faculty	540	1,168	1,691	17
FBLA	641	4,028	4,355	314
FCA	807	1,174	1,288	693
FFA	1,001	21,187	19,433	2,755
FCCLA	1,382	6,949	7,913	418
Keys	1,122	140	489	773
National Honor Society	1,090	485	952	623
Pep Club	600	900	1,023	477
Student Council	1,512	702	1,444	770
Skills USA	4,563	7,564	7,248	4,879
Trim M	350	0	0	350
Weight Club	135	0	20	115
Total Wabaunsee High	<u>24,921</u>	<u>66,117</u>	<u>72,702</u>	<u>18,336</u>
Maple Hill				
Classes	499	261	407	353
Total Maple Hill	<u>499</u>	<u>261</u>	<u>407</u>	<u>353</u>
Mill Creek Valley Jr. High				
Classes	320	187	303	204
Yearbook	10	1,880	1,875	15
Pep Club	241	530	0	771
Student Teacher	97	381	110	368
Total Mill Creek Jr. High	<u>668</u>	<u>2,978</u>	<u>2,288</u>	<u>1,358</u>
Total Student Organization Accounts	<u>\$ 26,088</u>	<u>\$ 69,356</u>	<u>\$ 75,397</u>	<u>\$ 20,047</u>

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NUMBER 329
MILL CREEK VALLEY

STATEMENT 5

Statement of Cash Receipts, Expenditures, and Unencumbered Cash
For the Fiscal Year Ended June 30, 2010

DISTRICT ACTIVITY FUNDS

FUNDS	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Gate Receipts							
Alma Grade	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Maple Hill Grade	154	0	169	178	145	0	145
Mill Creek Valley Jr. High	4,121	0	14,376	13,319	5,178	0	5,178
Mill Creek Valley Middle School	363	0	581	429	515	0	515
Wabaunsee High	21,504	0	42,127	41,239	22,392	0	22,392
Total Gate Receipts	26,142	0	57,253	55,165	28,230	0	28,230
School Projects							
Alma Grade School							
Pictures	1,791	0	433	428	1,796	0	1,796
Pop	976	0	969	975	970	0	970
Office	883	0	717	695	905	0	905
Preschool Role Model	267	0	1,500	1,375	392	0	392
Maple Hill Grade School							
Book Fair	449	0	638	475	612	0	612
Picture	4	0	485	370	119	0	119
Vending Machines	211	0	292	112	391	0	391
Mill Creek Valley Jr. High							
Office	275	0	79	34	320	0	320
Concessions	3,495	0	6,837	9,036	1,296	0	1,296
Copies	188	0	0	0	188	0	188
Pictures	1,323	0	442	61	1,704	0	1,704
Vending Machines	1,273	0	1,830	1,276	1,827	0	1,827
Mill Creek Valley Middle School							
Pictures	637	0	507	907	237	0	237
Wabaunsee High School							
ACT Test Prep	20	0	0	0	20	0	20
Close Up Ed Trip	365	0	0	0	365	0	365
Art Lab	0	0	1,495	1,495	0	0	0
Ind Art Projects	0	0	3,419	3,419	0	0	0
Office	640	0	3,562	3,221	981	0	981
Concessions	1,634	0	22,127	13,341	10,420	0	10,420
Plan Test	0	0	231	231	0	0	0
Band Fees & Music	2,984	0	0	0	2,984	0	2,984
Band Misc	0	0	247	247	0	0	0
Drama	716	0	293	408	601	0	601
Journalism	7,676	0	13,056	13,657	7,075	0	7,075
Forensics	143	0	48	60	131	0	131
Vo Home Ec	0	0	276	276	0	0	0
Screen Print	1,445	0	6,062	4,110	3,397	0	3,397
Total School Projects	27,395	0	65,545	56,209	36,731	0	36,731
Total District Activity Funds	\$ 53,537	\$ 0	\$ 122,798	\$ 111,374	\$ 64,961	\$ 0	\$ 64,961

The notes to the financial statements are an integral part of this statement.

Unified School District No. 329
Mill Creek Valley
Alma, Kansas

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2010

NOTE 1 - FUND DESCRIPTIONS

In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash, and other financial resources, together with all related expenditures and residual cash balances, and changes within, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The following types of funds comprise the financial activities of the District for the fiscal year ended June 30, 2010.

Governmental Funds

General and Supplemental General Fund--to account for all unrestricted resources except those required to be accounted for in another fund.

Special Revenue Funds--to account for the proceeds of specific revenue sources (other than major capital projects) that are restricted by law or administrative action to expenditure for specified purposes.

Debt Service Fund--to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Fiduciary Funds

Expendable Trust and Agency Funds--to account for assets held in a trustee capacity or as an agent for individuals, other governmental units, private organizations, and/or other funds. These include Expendable Trust Funds, Non-expendable Trust Funds, and Agency Funds.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Unified School District No. 329 was organized in accordance with State Statutes to provide a system of public education to elementary through high school students who reside within the designated District areas. The District operates under a superintendent of schools and a seven member board of education.

In evaluating how to define the School District, for financial reporting purposes, management has considered all potential component units. The basic—but not the only—criterion for including a potential component unit within the reporting entity is financial accountability. The most significant manifestation of the criterion is financial dependence. Other manifestations of the criteria include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. Using this criterion, no financial statements of any other entity are included in the accompanying financial statements.

Unified School District No. 329
Mill Creek Valley
Alma, Kansas

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2010

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

Statutory Basis of Accounting

The statutory basis of accounting, as used in the preparation of these statutory basis financial statements, is designed to demonstrate compliance with the cash basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund, and an expenditure would be recorded in the fund from which the transfer is made.

The District has approved a resolution that is in accordance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the district to use the statutory basis of accounting.

Departure from Accounting Principles Generally Accepted in the United States of America

The basis of accounting described above results in a financial statement presentation which shows cash receipts, expenditures, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expense, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. Capital assets that account for the land, buildings, and equipment owned by the district are not presented in the financial statements. Also, long-term debt such as general obligation bonds, revenue bonds, capital leases, temporary notes, and compensated absences are not presented in the financial statements.

NOTE 3 - BUDGETARY INFORMATION

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), debt service funds, and enterprise funds. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding eighteen month period on or before August 1st.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

Unified School District No. 329
Mill Creek Valley
Alma, Kansas

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2010

NOTE 3 - BUDGETARY INFORMATION (CONT)

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

After the above procedures have been followed; the Kansas State Board of Education computes what the maximum legal general fund budget of operating expenses can be. For the fiscal year ended June 30, 2010, the State calculation of the legal maximum general fund budget was \$3,686,627. In accordance with Kansas statutes, a district will be penalized state aid equal to the amount expended in excess of the computed statutory limitation plus any qualifying budget credits. The district had \$96,367 of budget credits in the general fund for grants and other miscellaneous reimbursements. The District was within its maximum legal general fund budget authority for the fiscal year ended June 30, 2010.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the statutory basis of accounting, in which, revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end. Any unused portion of a prior year encumbrance cannot be used as expenditure authority for any purpose other than the original purchase order or contract. Therefore any unused portion of a prior year encumbrance is canceled and added back as an adjustment to beginning unencumbered cash in Statements 1 and 3.

A legal operating budget is not required for capital projects funds, fiduciary funds, permanent funds, and the following special revenue funds: Textbook Rental, Student Materials, Summer Insurance, Contingency Reserve, Drug Education, Title I, Title II D Education Technology, Title II A Teacher Quality, Title VI Reap, Grants, and District Activity Funds.

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by use of internal spending limits established by the governing body.

Unified School District No. 329
Mill Creek Valley
Alma, Kansas

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2010

NOTE 3 - BUDGETARY INFORMATION (CONT)

Statements 2 and 3 present budgetary comparison of the actual data on the budgetary basis, which includes encumbrances and transfers with the legally adopted budget. Because of tax levying dates, it is necessary that budget expenditures and revenues be estimated for an additional six month period on its budget which has not been included on Statements 2 and 3.

Property taxes are levied by the Kansas Counties in which the School District resides on November 1 and are payable in two installments on December 20 and May 10 of the subsequent year. The Counties collect and distribute in the succeeding year all property taxes collected for the District. Therefore, taxes levied for the District on November 1, 2009 will be distributed to the District by the County during 2010.

NOTE 4 - DEPOSITS AND INVESTMENTS

The District maintains a cash and investment pool that is available for use by all funds. The District held no investments during the year, only deposits with allowable financial institutions. All interest earned during the year on idle funds of the governmental fund types was credited to the capital outlay fund as allowed by Kansas statutes.

K.S.A. 9-1401 establishes the depositories which may be used by the Government. The statute requires banks eligible to hold the Government's funds have a main or branch bank in the county in which the Government is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The Government has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the Government's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The Government has no investment policy that would further limit its investment choices.

Concentration of credit risk. State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the Government's deposits may not be returned to it. State statutes require the Government's deposits in

Custodial credit risk – deposits (cont).

financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The Government has no designated "peak period". All deposits were legally secured at June 30, 2010.

Unified School District No. 329
Mill Creek Valley
Alma, Kansas

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2010

NOTE 4 - DEPOSITS AND INVESTMENTS (CONT)

At June 30, 2010, the carrying amount of the district's deposits, including certificates of deposits, was \$2,317,832 and the bank balance was \$2,878,233. The bank balance was held by four banks resulting in a concentration of credit risk. Of the bank balance, \$348,849 was covered by F.D.I.C. and the remaining \$2,529,384 was collateralized with securities held by the pledging financial institution's agents in the District's name.

NOTE 5 – RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destructions of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Insurance claims have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance coverage from coverage in prior years.

NOTE 6 - DEFINED BENEFIT PENSION PLAN

Plan Description - USD 329, Mill Creek Valley, Alma, Kansas participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, *et seq.* KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S. Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Funding Policy - K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% or 6% of covered salary, depending on employee eligibility dates. Member-employee's contributions are withheld by their employer and paid to KPERS according to the provisions of section 414(h) of the Internal Revenue Code. The State of Kansas is required to contribute the remaining amount necessary to achieve the actuarially determined contribution rate. Kansas contributed 8.57% of covered payroll for the period 7/1/09 to 6/30/10 and currently contributes 9.17% of covered payroll for the period 7/1/10 to 6/30/11. These contribution requirements are established by KPERS and are periodically revised. Kansas' contributions to KPERS for all Kansas public school employees for the years ending June 30, 2010, 2009 and 2008 were \$248,468,186, \$242,277,363, and \$ 220,815,154 respectively, equal to the required contributions for each year.

Section 125 Cafeteria Plan

U.S.D. 329 maintains an Internal Revenue Code Section 125 plan "cafeteria plan". The amount of salary to be reduced shall not exceed the sum authorized by the internal Revenue Code. U.S.D. 329 contributes up to \$500 per month for certified personnel. For all other employees, the benefit is prorated. Employees must designate his/her entire allocation into any combination of health insurance, term life insurance, salary protection insurance, cancer insurance, and child care and/or medical reimbursement.

Unified School District No. 329
Mill Creek Valley
Alma, Kansas

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2010

NOTE 7 - COMPENSATED ABSENCES AND FRINGE BENEFITS FOR FULL TIME EMPLOYEES

Vacation and Sick Leave

U.S.D. 329 provides vacation leave for the superintendent, clerk, secretary/ treasurer, district maintenance/ transportation supervisor, and all full-time custodians. Each entitled employee receives two weeks per year. After five years of employment, the clerk, secretary/treasurer, district maintenance/ transportation supervisor and full-time custodians receive twelve days per year. After ten years, these employees receive fifteen days per year. Unused vacation leave may be carried over to the next year, but cannot accrue longer than eighteen months.

Sick leave is provided for most District employees. Certified employees receive twelve days of sick leave annually and can carryover up to eighty days. Upon separation of service, teachers who retire with KPERS benefits are reimbursed at the current rate of payment per day for substitute teachers for any unused sick leave. Teachers who worked at least ten years within the district receive sick leave pay, but only for hours accumulated after 6/1/94. At the end of each school year, teachers will be paid \$25 for each day of accumulated sick leave beyond 80. The board clerk, secretary/ treasurer, district maintenance/transportation supervisor and custodians receive twelve days of sick leave annually and can accumulate fifty-five days. Bus drivers receive twelve trips per year and can accumulate fifty trips. Attendance center secretaries receive ten days per year and can accumulate forty-five days. Full time cooks and aides receive nine days per year and can accumulate thirty-five days. Other part-time hourly employees receive sick leave according to the number of hours they work. No estimate has been made of the total amounts of accumulated leave nor has any amount been reported or disclosed in these financial statements.

NOTE 8 - OTHER POST EMPLOYMENT BENEFITS

As provided by K.S.A. 12-5040, the District allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the district is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in these financial statements.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the District under this program.

NOTE 9 – TERMINATION BENEFITS

The District's 2009-2010 negotiated agreement no longer provides for an early retirement program. All retirement benefits will continue to be paid for employees previously retiring under the former early retirement program. Payments to retired employees under the former plan are paid as employer contributions into a board approved Internal Revenue Code Section 403(b) plan. Early retirement payments totaled \$6,000 for the year ended June 30, 2010. These benefits are financed by the District on a pay-as-you-go basis. An estimate has not been made of the total amount of post employment benefits of the District or reported in the financial statements.

Unified School District No. 329
Mill Creek Valley
Alma, Kansas

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2010

NOTE 10 - INTERFUND TRANSFERS

Transfers between budgetary funds are for the purpose of shifting resources from the fund legally required to receive the revenue to the fund authorized to expend the revenues. Operating transfers during the fiscal year ended June 30, 2010 consisted of the following:

Transfer From	Transfer To	Statutory Authority	Amount
General	Capital Outlay	72-6428	\$121,271
General	Special Education	72-6428	583,891
General	At-Risk (K-12)	72-6428	119,189
General	Staff Development	72-6428	10,000
General	Drivers Training	72-6428	10,000
General	Vocational Education	72-6428	25,000
Supplemental General	Vocational Education	72-6433	147,699
Supplemental General	Staff Development	72-6433	30,000
Supplemental General	Special Education	72-6433	243,147
Supplemental General	Food Service	72-6433	15,000

NOTE 11 - LONG-TERM DEBT

General Obligation Bonds

On January 23, 2001, the District issued \$6,900,000 in General Obligation Bonds used to pay a portion of the cost to remodel and make capital improvements to all the attendance centers in USD No. 329. The District began making interest payments on March 1, 2002 and made its first principal payment on September 1, 2003.

On April 27, 2007, the District issued \$5,305,000 in General Obligation Bonds with an average interest rate of 4.13% to advance refund \$5,145,000 of the above Series 2001 outstanding bonds. The District began making principal and interest payments on September 1, 2007 and will continue making semi annual principal and interest payments through September 1, 2021.

Prior-year Defeasance of Debt

In a prior year advance refunding, a portion of the Series 2001 general obligation bonds were defeased by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the outstanding liability for the defeased bonds, \$5,145,000, and the trust account assets are not included in or disclosed in these financial statements.

Unified School District No. 329
Mill Creek Valley
Alma, Kansas

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2010

NOTE 11 - LONG-TERM DEBT (CONT)

Lease Agreement

The district entered into a lease-purchase agreement with Apple Computer, effective June 15, 2007, for the purchase of computer equipment. One annual payment of \$23,075 was made on June 15, 2007. On May 15, 2008, the lease-purchase agreement was amended for the purchase of additional computer equipment. The amended payment schedule calls for four annual payments of \$36,415 beginning on June 15, 2008 and ending on June 15, 2011. The first of the four payments was made on June 15, 2008.

Changes in long-term liabilities for the District for the year ended June 30, 2010, were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
General Obligation Bonds:										
Series 2001	4.45-6.5%	1/23/2001	\$ 6,900,000	9/1/21	\$ 570,000	\$ 0	\$ 275,000	\$ 0	\$ 295,000	\$ 24,869
Series 2007	4-5%	4/27/2001	5,305,000	9/1/21	5,240,000	0	20,000	0	5,220,000	218,500
Capital Leases Payable:										
Apple Inc.	6.328%	6/15/2007	89,750	6/15/10	<u>67,982</u>	<u>0</u>	<u>33,207</u>	<u>0</u>	<u>34,775</u>	<u>3,208</u>
Total long-term debt					<u>\$ 5,877,982</u>	<u>\$ 0</u>	<u>\$ 328,207</u>	<u>\$ 0</u>	<u>\$ 5,549,775</u>	<u>\$ 246,577</u>

Unified School District No. 329
Mill Creek Valley
Alma, Kansas

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2010

NOTE 11 - LONG-TERM DEBT (CONT)

Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016-2020</u>	<u>2021-2025</u>	<u>Total</u>
PRINCIPAL								
General Obligation Bonds	\$ 320,000	\$ 340,000	\$ 370,000	\$ 400,000	\$ 420,000	\$ 2,580,000	\$ 1,085,000	\$ 5,515,000
Capital Leases Payable	<u>34,775</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>34,775</u>
Total principal	<u>354,775</u>	<u>340,000</u>	<u>370,000</u>	<u>400,000</u>	<u>420,000</u>	<u>2,580,000</u>	<u>1,085,000</u>	<u>5,549,775</u>
INTEREST								
General Obligation Bonds	226,081	210,300	196,100	180,700	164,300	498,300	40,500	1,516,281
Capital Leases Payable	<u>1,640</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,640</u>
Total interest	<u>227,721</u>	<u>210,300</u>	<u>196,100</u>	<u>180,700</u>	<u>164,300</u>	<u>498,300</u>	<u>40,500</u>	<u>1,517,921</u>
Total Principal and Interest	<u>\$ 582,496</u>	<u>\$ 550,300</u>	<u>\$ 566,100</u>	<u>\$ 580,700</u>	<u>\$ 584,300</u>	<u>\$ 3,078,300</u>	<u>\$ 1,125,500</u>	<u>\$ 7,067,696</u>

NOTE 12 - 2009 FINANCIAL DATA

The amounts shown for 2009 in the accompanying financial statements are included, where practicable, only to provide a basis for comparison with 2010, and are not intended to present all information necessary for a fair presentation.

NOTE 13 - COMPLIANCE WITH KANSAS STATUTES

References made herein to the statutes are not intended as interpretations of law, but are offered for consideration of the Director of Accounts and Reports, Department of Education, and interpretation by the County Attorney and legal representatives of the municipality.

The General Fund showed a negative unencumbered cash balance of (\$310,151), the Supplemental General Fund a negative unencumbered cash balance of (\$23,202) and the KPERS Retirement Fund a negative unencumbered cash balance of (\$105,244) for the year ended June 30, 2010. K.S.A. 10-1116A (or 10-1116) provides that under certain situations, funds can end the year with a negative unencumbered cash balance and are therefore, exempt from the cash basis law of the State of Kansas. These funds are not deemed to be in violation of the Kansas cash basis law.

The Extraordinary School Program Fund expenditures exceeded budgeted expenditures in accordance with K.S.A. 79-2935.

Management is not aware of any other statutory violations for the period covered by this audit.

Unified School District No. 329
Mill Creek Valley
Alma, Kansas

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2010

NOTE 13- COMPLIANCE WITH KANSAS STATUTES (CONT)

K.S.A. 72-6417(d) and K.S.A. 72-6434(d) require the school district to record any payment of state aid that is due to be paid during the month of June and is paid to the school district after June 30, as a receipt for the school year ending on June 30. The following shows the revenue as required by these education statutes for the General, Supplemental General and KPERS Retirement Funds for the year ended June 30, 2010

Unified School District No. 329
Statutory Revenues and Expenditures - Statutory and Budget
For the Year Ended June 30, 2010

	GENERAL FUND		
	Statutory Transactions	Budget	Variance Favorable (Unfavorable)
Statutory Revenues			
General Property Taxes	\$ 588,537	\$ 576,374	12,163
State Equalization Aid	2,435,772	2,648,981	(213,209)
State Special Education Aid	483,891	612,176	(128,285)
ARRA Stabilization Funds	178,427	178,427	0
State Grant	800	0	800
Daycare	95,470	0	95,470
Miscellaneous	97	0	97
Total Statutory Revenues	<u>3,782,994</u>	<u>4,015,958</u>	<u>(232,964)</u>
Expenditures			
Instruction	1,681,635	1,885,982	204,347
Student Support	49,915	69,000	19,085
Instructional Support	96,042	102,500	6,458
General Administration	202,017	210,600	8,583
School Administration	344,256	346,500	2,244
Central Services	10,251	0	(10,251)
Operation and Maintenance	270,112	288,000	17,888
Student Transportation	147,578	159,200	11,622
Day Care	111,837	160,000	48,163
Fund Transfers	869,351	794,176	(75,175)
Adjustment to Comply with Legal Max	0	(329,331)	(329,331)
Legal General Fund Budget	3,782,994	3,686,627	(96,367)
Adjustments for Qualifying Budget Credits	0	96,367	96,367
Total Expenditures	<u>3,782,994</u>	<u>\$ 3,782,994</u>	<u>\$ 0</u>
Revenue Over (Under) Expenditures	0		
Modified Unencumbered Cash, July 1, 2009	0		
Modified Unencumbered Cash, June 30, 2010	<u>\$ 0</u>		

Unified School District No. 329
Mill Creek Valley
Alma, Kansas

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2010

NOTE 14 - COMPLIANCE WITH KANSAS STATUTES (CONT)

Compliance with K.S.A. 72-6417(d) and K.S.A. 72-6434(d) (Cont)

Unified School District No. 329
Statutory Revenues and Expenditures - Statutory and Budget
For the Year Ended June 30, 2010

SUPPLEMENTAL GENERAL FUND

	Statutory Transactions	Budget	Variance Favorable (Unfavorable)
Statutory Revenues			
General Property Taxes	\$ 857,151	\$ 805,713	\$ 51,438
State Equalization Aid	214,529	301,052	(86,523)
ARRA Stabilization Funds	79,954	0	79,954
Reimbursements	13	0	13
Total Statutory Revenues	<u>1,151,647</u>	<u>1,106,765</u>	<u>44,882</u>
Expenditures			
Technology	258,834	188,400	(70,434)
Student Support	317	0	(317)
Instructional Support	3,228	27,000	23,772
General Administrative	54,672	52,500	(2,172)
School Administration	17,369	14,400	(2,969)
Operations & Maintenance	254,632	306,000	51,368
Student Transportation	99,102	114,000	14,898
Fund Transfers	435,846	421,700	(14,146)
Total Expenditures	<u>1,124,000</u>	<u>\$ 1,124,000</u>	<u>\$ 0</u>
Revenue Over (Under) Expenditures	27,647		
Modified Unencumbered Cash, July 1, 2009	17,235		
Modified Unencumbered Cash, June 30, 2010	<u>\$ 44,882</u>		

Unified School District No. 329
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NOTES TO THE FINANCIAL STATEMENTS
June 30, 2010

NOTE 14 - COMPLIANCE WITH KANSAS STATUTES (CONT)

Compliance with K.S.A. 72-6417(d) and K.S.A. 72-6434(d) (Cont)

Unified School District No. 329
Statutory Revenues and Expenditures - Statutory and Budget
For the Year Ended June 30, 2010

KPERS RETIREMENT CONTRIBUTIONS

	<u>Statutory Transactions</u>	<u>Budget</u>	Variance Favorable (Unfavorable)
Statutory Revenues			
Intergovernmental Receipts			\$ 0
State of Kansas	\$ 211,343	\$ 252,399	(41,056)
Total Statutory Revenues	<u>211,343</u>	<u>252,399</u>	<u>(41,056)</u>
Expenditures			
Employee Benefits - Instruction	139,487	165,000	25,513
Employee Benefits - Student Support	6,340	6,737	397
Employee Benefits - Instructional Support	8,453	10,116	1,663
Employee Benefits - General Administration	6,340	7,838	1,498
Employee Benefits - School Administration	19,021	25,523	6,502
Employee Benefits - Operations & Maint	12,681	14,674	1,993
Employee Benefits - Student Transportation	10,567	12,395	1,828
Employee Benefits - Food Service	8,454	10,116	1,662
Total Expenditures	<u>211,343</u>	<u>\$ 252,399</u>	<u>\$ 41,056</u>
Revenue Over (Under) Expenditures	0		
Modified Unencumbered Cash, July 1, 2009	<u>0</u>		
Modified Unencumbered Cash, June 30, 2010	<u>\$ 0</u>		